

Public Agenda

June 8, 2018

Toronto Affordable Housing Fund

BOARD OF DIRECTORS MEETING

June 8, 2018
2:30 p.m. – 3:00 p.m.

Main Boardroom
931 Yonge Street
Toronto, Ontario
M4W 2H2

Board of Directors
Linda Jackson, Chair
Rose-Ann Lee
Kathy Milsom

PUBLIC MEETING AGENDA ITEMS

Item	Description	Action	Pre-read
1	Approval of Agenda and Review of Agenda Order	Approval	Agenda
2	Chair's Poll re: Conflict of Interest	Declaration	Agenda Conflict of Interest Policy
3	Appointment of Officers	Approval	-
4	Confirmation of minutes of TAHF Public Meeting held on May 9, 2017	Approval	Minutes
5	2017 Toronto Affordable Housing Fund Draft Audited Financial Statements and PWC Year-End Report	Approval	TAHF:2018-01

TERMINATION

Board members must declare any conflict of interest which relates to an item of discussion.

TORONTO AFFORDABLE HOUSING FUND
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

RESIGNATION AND APPOINTMENT OF OFFICERS

WHEREAS Kevin Marshman resigned as President and Secretary of the Corporation effective September 5, 2017;

AND WHEREAS the Shareholder of the Corporation appointed Kathy Milsom as President and Secretary effective September 5, 2017;

BE IT RESOLVED THAT:

1. the resignation of Kevin Marshman is hereby accepted, effective September 5, 2017;
2. Kathy Milsom is hereby appointed President and Secretary of the Corporation, effective September 5, 2017; and
3. The officers of the Corporation are now as follows:

<u>Name</u>	<u>Office</u>
Linda Jackson	Chair
Kathy Milsom	President and Secretary
Rose-Ann Lee	Chief Financial Officer and Treasurer

This resolution may be executed in counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same resolution. The delivery of an executed counterpart copy of this resolution by facsimile or telecopy shall be deemed to be the equivalent of the delivery of an original executed copy thereof.

The undersigned, being all of the directors of REGENT PARK DEVELOPMENT CORPORATION, hereby sign the foregoing resolution this 5th day of September, 2017.

Linda Jackson

Kathy Milsom

Rose-Ann Lee

Board of Directors

931 Yonge Street
Toronto M4W 2H2

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The Board of Directors of Toronto Affordable Housing Fund (“TAHF”) held a public meeting on Tuesday, May 9, 2017 at 3:48 p.m. in Conference Room 7A at 931 Yonge Street, Toronto and via teleconference.

Directors in Attendance: Linda Jackson (Chair) (by teleconference)
Rose-Ann Lee
Kevin Marshman

Also present: Toronto Community Housing Corporation:
Mark Johnson, General Counsel and Corporate Secretary
Ted Millward, Legal Counsel
Nagesh Dinavahi, Corporate Controller

A quorum being present, the Chair called the meeting to order, and Ms. Sonia Fung served as recording secretary.

ITEM 1 APPROVAL OF AGENDA AND REVIEW OF AGENDA ORDER

The agenda was circulated to members of the Board prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Ms. Lee, seconded by Ms. Jackson and carried, the Board of Directors approved the agenda

ITEM 2 CHAIR’S POLL RE: CONFLICTS OF INTEREST

No conflicts of interest were declared for the agenda items.

It was noted that Ms. Lee & Mr. Marshman are employees of Toronto Community Housing Corporation. However, there was no material conflict of interest declared.

**ITEM 3(I) CONFIRMATION OF MINUTES OF TAHF PUBLIC MEETING HELD ON
JUNE 28, 2016**

The Board of Directors had before it the above-captioned minutes.

Motion carried **ON MOTION DULY MADE** by Ms. Lee, seconded by Ms. Jackson and carried, the Board of Directors confirmed the June 28, 2016 public meeting minutes.

**CONFIRMATION OF MINUTES OF TAHF CLOSED MEETING HELD ON
ITEM 3(II) JUNE 28, 2016**

The Board of Directors had before it the above-captioned minutes.

Motion carried **ON MOTION DULY MADE** by Ms. Lee, seconded by Ms. Jackson and carried, the Board of Directors confirmed the June 28, 2016 closed meeting minutes.

**2016 TORONTO AFFORDABLE HOUSING FUND
DRAFT UNAUDITED FINANCIAL STATEMENTS
ITEM 4 & PWC YEAR-END REPORT** TAHF:2016-01

The Board of Directors had before it the above-captioned report from the Treasurer.

Ms. Lee presented the report and answered questions from the Board.

Motion carried **ON MOTION DULY MADE** by Ms. Jackson, seconded by Ms. Lee and carried, the Board of Directors approve the recommendations of this report that the Board of Directors:

(1) approve the Toronto Affordable Housing Fund's Draft Unaudited Financial Statements for the year ended December 31, 2016 ("Financial Statements") and accompanying 2016 year-end report from PricewaterhouseCoopers LLP;

(2) authorize that any two directors can sign the Balance Sheet on behalf of the Board;

(3) forward the Financial Statements to the Shareholder as part of the annual reporting to the Shareholder; and

(4) authorize the appropriate Toronto Affordable Housing Fund officials to take the necessary action to give effect to the above recommendations.

ITEM 5 APPOINTMENT OF OFFICERS

The Board of Directors had before it a draft resolution with regard to appointment of the following officers:

Linda Jackson	Chair
Kevin Marshman	President & Secretary
Rose-Ann Lee	Chief Financial Officer and Treasurer

*Motion
carried*

ON MOTION DULY MADE by Ms. Jackson, seconded by Ms. Lee and carried, the Board of Directors approved the resolution for the appointment of officers.

TERMINATION

ON MOTION DULY MADE by Ms. Jackson, seconded by Ms. Lee and carried, the Board of Directors resolved to terminate the meeting at 3:52 p.m.

Secretary

Chair, Board of Directors

Toronto Affordable Housing Fund

Item 5

June 8, 2018

BOARD OF DIRECTORS

2017 TORONTO AFFORDABLE HOUSING FUND DRAFT UNAUDITED FINANCIAL STATEMENTS & PWC YEAR-END REPORT

To: Board of Directors

Report: TAHF:2018-01

From: TAHF Chief Financial Officer and Treasurer

Date: May 31, 2018

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PURPOSE:

To provide the Board of Directors with the Toronto Affordable Housing Fund's ("TAHF's") draft unaudited financial statements and PricewaterhouseCoopers LLC ("PWC") Year-end report as at and for the year ended December 31, 2017.

RECOMMENDATIONS:

It is recommended that the Board of Directors:

- (1) approve the Toronto Affordable Housing Fund's draft unaudited financial statements for the year ended December 31, 2017 ("Financial Statements") and accompanying 2017 year-end report from PricewaterhouseCoopers LLP;
- (2) forward the Financial Statements to the Shareholder as part of the annual reporting to the Shareholder; and
- (3) authorize the appropriate Toronto Affordable Housing Fund officials to take the necessary action to give effect to the above recommendations.

2017 TAHF Draft Unaudited Financial Statements & PWC Year-End Report

Report: TAHF: 2018-01

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REASONS FOR RECOMMENDATIONS:

The attached draft unaudited financial statements are required to comply with the Shareholder Direction and Ontario Business Corporation Act (OBCA).

EXECUTIVE OVERVIEW:

TAHF was incorporated for the sole purpose of administering the City's Affordable Housing Program. TAHF operates a housing fund for the purposes of:

- Providing financial support to qualified individuals so that they may purchase eligible homes;
- Providing access to and promoting the availability of long-term affordable ownership housing; and
- Such other complimentary purposes not inconsistent with these objectives.

TAHF's cash is restricted for TAHF's use. TAHF is not consolidated with TCHC's Financial Statements as the cash does not come under the ownership of TCHC. TCHC serves as the administrator of TAHF.

Balance Sheet Highlights

- Loan receivable balance of \$5.24M (\$4.92M for 2016) represents financial support offered to qualified individuals to purchase eligible homes by TAHF— these loans are outstanding for a period of 20 years from the date of the loan advance until either (i) the borrower passes away; (ii) the borrower used the loan for a purpose other than financing the eligible home; (iii) the unit is sold; (iv) the unit is leased out or ceases to be used as the borrower's principal residence; (v) the borrower becomes bankrupt or insolvent; (vi) a writ of execution against the borrower is or becomes binding against the unit; (vii) the borrower provides to TCHC any false or erroneous statements at the time the loan is granted; (viii) the borrower is in default of the loan from the first priority lender or other encumbrance affecting the unit; (ix) the borrower is in default of its obligations to pay taxes, insure, repair, and maintain the unit; and (x) the borrower prepays the entire loan. The loans are secured by a second charge against the eligible unit.
- Due to City of balance of \$8.09M (\$6.59M)—an increase of \$1.5M towards additional funding from the City for the purpose of providing loans of up to 40% of the purchase price on eligible units.
- Ten Boost loans were issued and 11 were repaid in 2017.
- Two Foundation loans was issued in 2017.

**2017 TAHF Draft Unaudited
Financial Statements & PWC Year-End Report**

Report: TAHF: 2018-01

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Income Statement Highlights

- Appreciation on loans for 2017 was \$198K (\$138K for 2016) which represents the amount that the borrower must pay, if one of the instances above occurs, equal to 10% of the capital appreciation of the property since inception of the loan.

“Rose-Ann Lee”

Rose-Ann Lee
TAHF Chief Financial Officer and Treasurer

- Attachment:**
- 1: Appendix A: Draft Unaudited Financial Statements as at and for the year ended December 31, 2017
 - 2: Appendix B: PWC year-end report to Board of Directors

Staff Contact:

Rose-Ann Lee 416-981-4316
TAHF Chief Financial Officer and Treasurer /
TCHC Chief Financial Officer and Treasurer
Rose-Ann.Lee@torontohousing.ca

Nagesh Dinavahi.....416-981-4315
TCHC Corporate Controller
Nagesh.Dinavahi@torontohousing.ca

Toronto Affordable Housing Fund

**Financial Statements
(Unaudited)
December 31, 2017**

DRAFT

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

June 8, 2018

Independent Practitioner's Review Engagement Report

To the Directors of Toronto Affordable Housing Fund

Report on the financial statements

We have reviewed the accompanying financial statements of Toronto Affordable Housing Fund that comprise the statement of financial position as at December 31, 2017 and the the statements of operations and surplus and cash flows for the year then ended, and related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Toronto Affordable Housing Fund as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Toronto Affordable Housing Fund

Statement of Financial Position

(Unaudited) As at December 31, 2016

	2017 \$	2016 \$
Assets		
Current assets		
Cash	3,837,489	2,317,983
Due from Toronto Community Housing Corporation (note 4)	-	15,593
	<u>3,837,489</u>	<u>2,333,576</u>
Non-current asset		
Loans receivable (note 3)	5,237,794	4,922,874
	<u>9,075,283</u>	<u>7,256,450</u>
Liabilities		
Current liabilities		
Due to Toronto Community Housing Corporation (note 4)	71,485	-
Accrued liabilities	2,000	1,000
	<u>73,485</u>	<u>1,000</u>
Non-current liabilities		
Due to City of Toronto (note 4)	8,095,400	6,595,400
	<u>8,168,885</u>	<u>6,596,400</u>
Surplus		
	<u>906,398</u>	<u>660,050</u>
	<u>9,075,283</u>	<u>7,256,450</u>

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
 NOT TO BE FURTHER COMMUNICATED**

Toronto Affordable Housing Fund
Statement of Operations and Surplus
(Unaudited) For the year ended December 31, 20167

	2017	2016
	\$	\$
Revenue		
Interest	46,544	16,749
Appreciation on loans (note 3)	198,540	137,892
Sundry	2,750	3,750
	<hr/>	<hr/>
	247,834	158,391
Expenses		
Sundry	1,486	1,611
	<hr/>	<hr/>
Excess of revenue over expenses for the year	246,348	156,780
Surplus - Beginning of year	<hr/>	<hr/>
	660,050	503,270
Surplus - End of year	<hr/>	<hr/>
	906,398	660,050

The accompanying notes are an integral part of these financial statements.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED

Toronto Affordable Housing Fund
Statement of Cash Flows
(Unaudited) For the year ended December 31, 20167

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	246,348	156,780
Adjustments for		
Accrued liabilities	1,000	-
Loans receivable	(314,920)	448,168
Amounts due from Toronto Community Housing Corporation	87,078	(172,060)
	<u>19,506</u>	<u>432,888</u>
Financing activities		
Increase in amounts due to City of Toronto	<u>1,500,000</u>	-
Increase in cash during the year	1,519,506	432,888
Cash - Beginning of year	<u>2,317,983</u>	<u>1,885,095</u>
Cash - End of year	<u>3,837,489</u>	<u>2,317,983</u>

The accompanying notes are an integral part of these financial statements.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED

Toronto Affordable Housing Fund

Notes to Financial Statements (Unaudited) December 31, 20167

1 The organization and its mission

Toronto Affordable Housing Fund (TAHF) was incorporated without share capital under the provisions of the Ontario Business Corporations Act on March 18, 2009, to establish and operate a housing fund for the purposes of:

- providing financial support to qualified individuals so that they may purchase eligible homes;
- providing access to and promoting the availability of long-term affordable ownership housing; and
- such other complimentary purposes not inconsistent with these objectives.

TAHF shall be carried on without the purpose of gain for its members and any profits or other accretions to TAHF shall be used in promoting its objectives.

TAHF is a not-for-profit organization and, as such, is exempt from income taxes under Section 141(1) of the Income Tax Act (Canada).

Toronto Community Housing Corporation (TCHC) serves as the administrator of TAHF.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards, including accounting standards that apply to government not-for-profit organizations.

The significant accounting policies are summarized below.

Revenue recognition

Appreciation on loans is recorded in the event of one of the instances described in note 3 and when collection is reasonably assured.

Financial instruments

At initial recognition, TAHF classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

	Category	Measurement
Cash	loans and receivables	amortized cost
Loans receivable	loans and receivables	amortized cost
Due from TCHC	loans and receivables	amortized cost
Due to City of Toronto	financial liabilities	amortized cost
Due to TCHC	financial liabilities	amortized cost
Accrued liabilities	financial liabilities	amortized cost

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Toronto Affordable Housing Fund

Notes to Financial Statements

(Unaudited) December 31, 20167

3 Loans receivable

TAHF provides financial support to qualified individuals so that they may repurchase eligible homes. The loans are outstanding for a period of 20 years from the date of the loan advance unless one of the following instances occurs prior thereto: (i) the borrower passes away; (ii) the borrower used the loan for a purpose other than financing the eligible home; (iii) the unit is sold; (iv) the unit is leased out or ceases to be used as the borrower's principal residence; (v) the borrower becomes bankrupt or insolvent; (vi) a writ of execution against the borrower is or becomes binding against the unit; (vii) the borrower provides to TCHC any false or erroneous statements at the time the loan is granted; (viii) the borrower is in default of the loan from the first priority lender or other encumbrance affecting the unit; (ix) the borrower is in default of its obligations to pay taxes, insure, repair and maintain the unit; and (x) the borrower prepays the entire loan. The loans are secured by a second charge against the eligible unit. In the event that any of the ten instances described above occurs, the borrower must pay TAHF a loan appreciation amount, which is determined based on a percentage of the increase in value of the eligible unit over the original purchase price. The percentage used to determine the capital appreciation amount is the percentage to the original price that the loan presents. The loans, interest and capital appreciation payments are otherwise forgiven on the twentieth anniversary date. TAHF does not account for the forgiveness of loans until the twentieth anniversary. During 2017, TAHF generated appreciation on the loans of \$198,540 (2016 - \$137,892), which was calculated as described above. Under the terms of an agreement with the City of Toronto, signed on April 30, 2009, these loans receivable will be assumed by the City of Toronto on April 30, 2029.

4 Related party transactions

Under the terms of an agreement with the City of Toronto signed on April 30, 2009, the amount due to the City of Toronto is non-interest bearing, was deposited in a dedicated account and administered by TAHF. The balance and all outstanding mortgages should be paid and assigned to the City of Toronto on April 30, 2029.

Amounts due to or from TCHC are non-interest bearing and are due on demand. As at December 31, 2017, amounts due from TCHC relate to net interest income earned on funds received and administered by TCHC. As at December 31, 2017, the amounts due to TCHC relate to payments issued by TCHC on behalf of TAHF to the loan borrower as described in note 3.

TAHF received donated services in the current year from TCHC for accounting, human resources and information technology support for which no amounts have been recorded in these financial statements.

5 Capital management

TAHF defines capital as due to the City of Toronto and surplus. TAHF's objective is to have sufficient capital to continue operating despite adverse financial events.

TAHF is not subject to any externally imposed capital requirements.

There has been no change in TAHF's approach to capital management during the year ended December 31, 2017.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Toronto Affordable Housing Fund

Notes to Financial Statements (Unaudited) December 31, 20167

6 Financial instruments

Credit risk

TAHF, in the normal course of business, is exposed to credit risk from individuals to whom loans are provided. This risk is mitigated by the fact that management believes TAHF has thorough and rigorous credit approval procedures and no one borrower represents a significant amount of the loans receivable. These procedures are supported by a strong collection process.

Liquidity risk

Liquidity risk results from TAHF's potential inability to meet its obligations associated with financial liabilities as they come due. TAHF monitors its operations and cash flows to ensure current and future obligations will be met. TAHF believes its current sources of liquidity are sufficient to cover its known short and long-term cash obligations.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**



Toronto Affordable Housing fund Board Meeting Agenda 2017 Review

Status

Review is substantially complete and outstanding items are as follows:

- Signed management representation letter (Appendix A)
- Approval of final financial statements
- Subsequent event update

Nature of engagement

We performed the review engagement in accordance with Canadian generally accepted standards for review engagements. These standards require that we comply with ethical standards, which include independence and professional competences.

The objective of a review of annual financial statements is not to provide assurance that we will become aware of any or all significant matters that might be identified in an audit.

The scope of a review is substantially less in scope than an audit in accordance with Canadian generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, our services will not result in the expression of an audit opinion on the financial statements or the fulfilling of any statutory or other audit requirement.

Our review consisted primarily of inquiries of your personnel and analytical procedures applied to financial data.

Based on the results of our review, we are not aware of any material modifications that should be made to the financial statements.

Internal control, fraud and error

A review does not contemplate obtaining an understanding of internal control over financial reporting or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit.

Our engagement cannot be relied upon to prevent and detect errors, fraud or illegal acts that may exist.

The control over and the responsibility for the prevention and the detection of fraud, error or illegal acts remains solely with you.

Significant difficulties or disagreements that occurred during the review

No difficulties or disagreements with management occurred while performing our review that requires the attention of the Toronto Affordable Housing Fund, Board of Directors.

Appendix A – Management representation letter

APPENDIX A

[Client Letterhead]

@@@, 2018

PricewaterhouseCoopers LLP
PwC Tower
18 York Street, Suite 2600
Toronto, Ontario
M5J 0B2

We are providing this letter in connection with your review of the financial statements of Toronto Affordable Housing Fund (TAHF) as of December 31, 2017 and for the year then ended (together the financial statements) consisting of:

- Statement of Financial Position as at December 31, 2017;
- Statement of Operations and Surplus and Statement of Cash Flows for the years ended December 31, 2017; and
- The related notes, which comprise a summary of significant accounting policies

We understand that you have performed a review of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations (PSAS) for review engagements. We also understand that your review procedures consisted primarily of inquiry, analytical procedures and discussion, which are not designed to identify, nor can they necessarily be expected to disclose, fraud, shortages, errors or other irregularities, should any exist.

The objective of your review differs significantly from an audit of financial statements in accordance with Canadian generally accepted auditing standards and does not provide a basis for the expression of an opinion as to whether the financial statements are presented fairly, in all material aspects, in accordance with Canadian public sector accounting standards for not-for-profit organizations (PSAS).

Management's responsibilities

We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated October 13, 2017. In particular, we confirm to you that:

- We are responsible for the preparation and fair presentation of the financial statements in accordance with PSAS;
- We are responsible for the design and implementation of internal controls to prevent and detect fraud and error; and
- We have provided you with all relevant information and access, as agreed in the terms of the engagement.

We confirm the following representations:

Preparation of financial statements

The financial statements are complete and are presented fairly in accordance with PSAS. All transactions have been recorded in the accounting records and are reflected in the financial statements.

The financial statements include all disclosures necessary for fair presentation in accordance with PSAS and disclosures otherwise required to be included therein by the laws and regulations to which TAHF is subject.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the financial statements to their related supporting information (e.g. sub ledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to a profit and loss account and vice versa. All intragovernmental unit accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

Accounting policies

We confirm that we have reviewed TAHF's accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the financial statements is appropriate in TAHF's particular circumstances to present fairly in all material respects its financial position, results of operations and cash flows in accordance with PSAS. We are eligible to and have selected to apply the standards for government not-for-profit organizations in CPA Public Sector Accounting Handbook Sections PS 4200 to 4270.

Disclosure of information

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters including:
- Contracts and related data;
- Information regarding significant transactions and arrangements that are outside of the normal course of business;
- Minutes of the meetings of shareholders, management, directors and committees of directors.
- Additional information that you have requested from us for the purpose of the review; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain review evidence.

We have responded fully to all inquiries made to us.

Completeness of transactions

All contractual arrangements entered into by us with third parties have been properly reflected in the accounting records and, where material (or potentially material) to the financial statements, have been disclosed to you. We have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

Fraud

We have disclosed to you:

- All information in relation to fraud, suspected or alleged fraud of which we are aware affecting TAHF involving management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial statements; and
- All information in relation to any allegations of fraud, or suspected fraud, affecting TAHF's financial statements, communicated by employees, former employees, analysts, regulators or others.

Compliance with laws and regulations

We have no knowledge of any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements.

We are not aware of any illegal or possibly illegal acts committed by TAHF's directors, officers or employees acting on TAHF's behalf.

Accounting estimates and judgments

Significant assumptions used by TAHF in making accounting estimates, including fair value accounting estimates, are reasonable.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with CPA Canada Public Sector Accounting Handbook PS 2130, Measurement Uncertainty, have been appropriately disclosed.

Related parties

We confirm that we have disclosed to you the identity of our related parties as defined by CPA Canada Public Sector Accounting Handbook PS 4260, Related Party Transactions, and all the related party relationships and transactions.

The identity, relationship, balances and transactions with related parties have been properly recorded and adequately disclosed in the financial statements, as required by PSAS.

The list of related parties attached to this letter as Appendix A accurately and completely describes our related parties and the relationships with such parties.

Going concern

We have no plans or intentions that may materially alter the carrying values or classification of assets and liabilities reflected in the financial statements (e.g., to dispose of the business or to cease operations).

Assets and liabilities

We have satisfactory title or control over all assets. All liens or encumbrances on TAHF's assets and assets pledged as collateral, to the extent material, have been disclosed in the notes to the financial statements.

Receivables recorded in the financial statements represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet dates and are not subject to discount, except for normal cash discounts. Receivables classified as current do not include any material amounts that are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.

We have recorded or disclosed, as appropriate, all liabilities, in accordance with PSAS. All liabilities, including contingencies, including those associated with guarantees, whether written or oral, under which TAHF is contingently liable in accordance with CPA Canada Public Sector Accounting Handbook, Section PS 3300, *Contingent Liabilities*, have been disclosed to you and are appropriately reflected in the financial statements.

Statements of Operations and Surplus

All transactions entered into by the Company have been recorded in the books and records presented to you.

All amounts have been appropriately classified within the financial statements of operations and surplus.

General

There are no proposals, arrangements or actions completed, in process, or contemplated, which would result in the suspension or termination of any material part of TAHF's operations.

Information relative to any matters handled on behalf of TAHF by any legal counsel, including all correspondence and other files, has been made available to you.

Litigation and claims

All known actual or possible litigation and claims, which existed at the financial position date or exist now, have been disclosed to you and accounted for and disclosed in accordance with PSAS whether or not they have been discussed with legal counsel.

Misstatements detected during the review

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person, relying on the information, would have been changed or influenced by the omission or misstatement.

We confirm that the financial statements are free of material misstatements, including omissions.

Events after balance sheet date

We have identified all events that occurred between the balance sheet date and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure.

Yours truly,

Toronto Affordable Housing Fund

Roseanne Lee, Chief Financial Officer & Treasurer

Nagesh Dinavahi, Corporate Controller

Appendix A – Related parties

TCHC - joint ventures and other subsidiaries

- 2001064 Ontario Inc.
- Access Housing Connections Inc.
- Alexandra Park Condominium Residences Inc.
- Alexandra Park Development Corporation
- Allenbury Gardens Development Corporation
- Allenbury Gardens Revitalization General Partnership
- Don Mount Court Development Corporation
- Dundas and Parliament Development Corporation
- Housing Services Inc.
- Leslie Nymark Development Corporation
- Leslie Nymark Partnership
- Parliament and Gerrard Development Corporation
- Railway Lands Development Corporation
- Regent Park Arts Non-Profit Development Corporation
- Regent Park Development Corporation
- Regent Park Energy Inc.
- Soul Residences Inc.
- Toronto Affordable Housing Fund
- Toronto Community Housing Enterprises Inc.
- Connect Residences

The City of Toronto – related parties

Agencies and Commissions

- Board of Governors of Exhibition Place
- Toronto Board of Health
- Board of Management of the Toronto Zoo
- Build Toronto Inc.
- Toronto Licensing Commission
- Casa Loma Corporation
- Toronto Pan Am Sports Centre Inc. ("TPASC")
- Heritage Toronto (50% proportionately)
- Invest Toronto Inc.
- Toronto Police Services Board
- Lakeshore Arena Corporation
- Toronto Public Library Board
- St. Lawrence Centre for the Arts
- Toronto Transit Commission ("TTC")
- The North York Performing Arts Centre
- Toronto Waterfront Revitalization Corporation
- Corporation ("TWRC") (1/3rd proportionately)
- The Sony Centre for the Performing Arts
- Yonge–Dundas Square
- Toronto Atmospheric Fund ("TAF")

Arenas

- Forest Hill Memorial
- Moss Park
- George Bell
- North Toronto Memorial
- Leaside Memorial Community Gardens
- Ted Reeve Community
- McCormick Playground
- William H. Bolton

Community Centres

- 519 Church Street
- Eastview Neighbourhood
- Applegrove
- Harbourfront
- Cecil Street
- Ralph Thornton
- Central Eglinton
- Scadding Court
- Community Centre 55
- Swansea Town Hall

Business Improvement Areas:

- Albion Islington Square
- Baby Point Gates
- Bloor Annex
- Bloor By The Park
- Bloor Street
- Bloor West Village
- Bloor Yorkville
- Bloorcourt Village
- Bloordale Village
- Cabbagetown
- Chinatown
- Church Wellesley Village
- College Promenade
- College West
- Corso Italia
- Crossroads of the Danforth
- Danforth Mosaic
- Danforth Village
- Dovercourt Village
- Downtown Yonge
- Dufferin Wingold
- Duke Heights
- Dundas West
- Dupont by the Castle
- Eglinton Hill
- Emery Village
- Fairbank Village
- Financial District
- Forest Hill Village
- Gerrard India Bazaar
- Greektown on the Danforth
- Harbord Street
- Hillcrest Village
- Historic Queen East
- Junction Gardens
- Kennedy Road
- Kensington Market
- Korea Town
- Lakeshore Village
- Leslieville
- Liberty Village
- Little Italy
- Little Portugal
- Long Branch
- Mimico by the Lake
- Mimico Village
- Mirvish Village
- Mount Dennis
- Mount Pleasant
- Oakwood Village

- Ossington Avenue
- Pape Village
- Parkdale Village
- Queen Street West
- Regal Heights Village
- Riverside District
- Roncesvalles Village
- Rosedale Main Street
- Sheppard East Village
- shoptheQueensway.com
- St. Clair Gardens
- St. Lawrence Market

Neighbourhoods:

- The Beach
- The Danforth
- The Eglinton Way
- The Kingsway
- The Waterfront
- Toronto Entertainment

District:

- Trinity Bellwoods
- Upper Village
- Uptown Yonge
- Village of Islington
- West Queen West
- Weston Village
- Wexford Heights
- Wilson Village
- Wychwood Heights
- Yonge Lawrence Village
- York Eglinton